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UNITED STATES DEPARTMENT OF THE INTERIOR
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IRAN'S FISHING INDUSTRY, 1962-63 1/

1. Summary

With the exception of the Iranian National Fisheries Company (Shilat), the Embassy knows of no Iranian commercial company, either Government-owned or private, presently operating in Iran. It should be remembered that the Shilat has concentrated on working the Caspian Sea. Various firms and organizations have surveyed the Persian Gulf from time to time and they have generally concluded that the area is rich in both shrimp and fish. There is some question, however, as to the permanence of these riches since the Gulf's fisheries have never been exploited on a large scale. Between 1958 and 1962, an Iranian firm fished the Gulf in a joint venture with an American company, and before that a Japanese concern operated there under contract with the Iranian Government. At present the only commercial operation in the Gulf is a Kuwaiti concern which is concentrating on shrimp. However, the Pakistani Government has signed an agreement with Iran to fish in the area for the same purpose.

Apart from the Shilat's freezing, smoking, and storage facilities and a cannery at Bandar Abbas, modern processing methods for fish are

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1/ Information supplied by United States Embassy, Tehran, Iran.

little used in Iran. As far as marketing is concerned, fish products, with the exception of caviar, are not found in quantity in the interior of the country. It is probable that the means of transporting fish to the nation's major cities are inadequate.

2. Caspian Sea Fisheries

The Caspian Sea is endowed with a wide variety of fish, but is principally known for the famous caviar-bearing sturgeon. With the exception of sturgeon, which is the special concern of the Shilat, fish are taken by private fishermen who sell them to the Shilat. These fisherman operate either from very small boats or with nets which are put out and dragged in from land. The only Iranian fishing boats of any size operating in the Caspian are the property of the Shilat. The number of fishermen working the Caspian has been estimated at 4,000 and the number of private fishing boats at 250.

The main types of fish found in the Caspian are:

Cartilaginous

Sturgeon, including:

(English)	(Russian)	(Persian)	(Scientific)
Great sturgeon	Beluga	Filmahi	Acipenser huso
Russian sturgeon	Osetr	Tassmahi	Acipenser gulldenstadti
Stellate sturgeon	Sevruga	Dracula	Acipenser stellatus

Non-Cartilaginous

Carnivorous

Salmon	(Salmo caspius Kessler)
Catfish	(Silurus glanis Linne)
Pike-perch	(Lucioperca lucioperca Linne)
Pike	(Esox lucius Linne)

Non-Carnivorous

Kutum	(white fish)(Rutilus frisii kutum (Kamensky))
Serte	(Rutilus rutilus caspicus n. knipowitchi Pravdin)
Carpe	(Cyprinus carpio Linne)
Bream	(Abramis brama Linne)

Sea Fish

Mullet	(Mugil auratus Risso, Mugil saliens Risso)
Herring	(Various types)2/

2/ Source: Societe Anonyme des Pecheries Iraniennes. Brochure Redigee par Ingenieur F. Farid-Pak, Chef de la Station d'Ichtyologie et Chef d'Exploitation de la Societe, Bank Melli Press, Tehran, Iran. No date of publication given.

The Role of the Shilat

The Shilat was formed in 1953 when the Iranian Government nationalized the Irano-Soviet Fishing Company. The company's operating headquarters are located on the site of the Irano-Soviet Company in Bandar Pahlavi, and there are some forty-six fishing stations along the coast from which most of the fishing is done. The firm's head office and the store which markets sturgeon and caviar are in Tehran. The Bandar Pahlavi headquarters has a cold storage warehouse, facilities for smoking and salting fish, and docking space at which boats may discharge their catch. The company owns fifteen mechanized boats, according to one of its officials.

The Shilat is intended to play a crucial role in the Caspian fishing industry. All private fishermen must obtain a license to fish from the Shilat, and they are supposed to sell all their commercial catch to it. The company also has the power to regulate the size of the nets used by all Iranian fishermen, and to enforce fishing seasons. Finally, the company is responsible for marketing all fish caught in the Caspian throughout the country.

Difficulties

The Shilat's take of fish, including sturgeon, from the Caspian Sea declined from 2295 tons in the season August 1958 to August 1959, to roughly 700 tons between August 1962 and the present time.

Although 700 tons represents a significant gain over last year's figure of 392, the Shilat feels that the Caspian fisheries are being overexploited.

Apart from such problems as fishing out of season and use of small mesh nets by private fishermen, the Shilat faces at least two natural difficulties. The first of these was caused by the construction of the Sefid Rud Dam which has made the area of the river's mouth unsuitable for the fish to lay their eggs. The second problem is a weed which grows in the marshes near Bandar Pahlavi and deprives the water of the oxygen necessary to sustain the lives of the Caspian's fish. The Irano-Soviet Agreement for Economic and Technical Cooperation, recently signed between Iran and the Soviet Union, may help to counteract the above-mentioned difficulties, natural and man-made. It reportedly contains three fisheries projects: construction of a sturgeon-breeding plant with an annual capacity of 3,500,000 baby fish; a Soviet study of the Caspian fish resources; and the stocking of the Caspian with 10,000 fish of the white Amur species[3/]

3/ The fish's show-stopping, technical name is Stenopharyngodonidellavaleneismes!

from the Amur River in East Asia. The sturgeon-breeding plant is intended to supply a breeding place to replace the ones lost with the construction of the Sefid Rud Dam in northern Iran, and the white Amur fish are expected to eat the plant growing in the Bandar Pahlavi marshes which consumes the sea's oxygen and to supply the Caspian with a one meter, thirty kilogram, edible fish. In addition, the Soviet Union has reportedly agreed to train an unspecified number of Iranians in fish matters at Soviet schools and factories. The Soviet agreement could provide the company with information, talent and facilities; the main drive for improvement in the fields of development and conservation, however, must come from the Shilat and the Iranian Government.

3. The Persian Gulf Fisheries

Because the Persian Gulf has no history as a commercial fishery, it is difficult to estimate how great and continuing its potential is. Still, the studies that have been made show that there is, at the present time, an abundance of fish and shrimp available in the Gulf. Americans have reported sighting schools of tuna fish several kilometers long. It would seem that with proper conservation methods these resources could be made to endure for some time.

Iran apparently lays claim to the important fishing areas of the Gulf. The deep water in the Gulf lies along the Iranian coast, and the small streams which flow into the Gulf from the Iranian side stock the coastal area with food for larger fish. For this reason, the richest fisheries in the Gulf tend to lie near the Iranian shore. Thus, according to Governmental sources, the Kuwaiti and Pakistani firms presently operating in the Gulf make payment to the Shilat for the right to fish in Iranian territorial waters. These sources add that Iran claims a twelve mile territorial waters limit.4/ However, there are other indications that Iran claims fishing rights in a much larger area of the Gulf.5/ In any case, other countries such as Kuwait and Pakistan and earlier, Japan, which wish to fish the Gulf seem to recognize Iran's control over the fisheries of the area since they do not object to their firms' paying for the right to fish there.

The information on types of fish found in the Gulf is scanty, but one well-informed source has put the number as high as 1500. When the Japanese were working the Gulf they found the following types:

4/ At the territorial waters convention in Geneva in the summer of 1962, Iran abstained on a proposal that territorial waters be limited to six miles with an additional six miles in which the coastal state would continue to hold traditional fishing and other rights. All indications are that Iran now claims a straight twelve mile limit.

5/ An article published by the Echo of Iran, an English language daily, in January of 1963, (Echo Economic Report No. 88) claims that "Iran owns about two-thirds of the Persian Gulf and Gulf of Oman waters."

Sea-Bream (Zenopsis nebulosa)
Sea-Bream (Plymixia sp.)
Sea-Bream (Plectorhynctrus cinctus)
Sea-Bream (Euynnis cardinalis)
Sea-Bream (Sparus swinhonis)
Snapper (Lutjanidae sp.)
Snapper (Nemipterus virgatus)
Red Snapper (Lutjanidae sp.)
Pompano (Stromateoides sp.)
Butter-fish (Psenopsis anomala)
Croaker (Nibea Mitsukurii)
Croaker (Nibea argentata)
Spanish Mackerel (Sawara hiphonia)
Horse Mackerel (Trachurus sp.)
Jack Mackerel (Trachurus sp.)
Deep-sea Bass (Niphon spinosus)
Gizzard Shad (Cluparodon punctatus)
Grunt (Pomadasyidae sp.)
Skip-jack
Bonito
Sardina and Sardinops
Yellow-fin tuna

Shrimp (panacus sp.) of good quality is also found in the Gulf, and it is on this product that most commercial fishing interests in the Gulf have focused.

Iranian

It has been estimated that there are roughly 3,000 private/fishermen working in the Gulf waters, and that their annual catch is somewhere in the neighborhood of 5,000 tons. Some of the sardines and herring taken are sold to an Iranian cannery in Bandar Abbas, and some other types are used as food for animals.

Recent History of Commercial Fishing in the Persian Gulf

Because of its value as an export commodity, commercial efforts in the Gulf have been concentrated primarily on shrimp. A Japanese company, after conducting studies of the Gulf's fisheries, operated in the area for a time and agreed to sell its catch to the Iranian Government at a fixed price. However, this arrangement was terminated three years ago.

The Iranian-American Joint Venture

In late 1958 an Iranian-American joint venture company began fishing the Persian Gulf, exclusively for shrimp, and operated for roughly four years. During that time, the Iranian catch of shrimp, virtually all of

which was taken by this company, rose from 50 tons in 1957-1958 to an estimated 1200-1400 tons in 1960-1961.6/ The company's mother ship had freezing facilities of 350 metric tons, and machinery for grading shrimp. In addition, the company possessed twelve fishing boats and another small mother ship. No processing of the shrimp was done on shore; the entire catch, excepting twenty metric tons which were consumed in Iran, was transferred directly from the mother ship to cargo ships bound for the United States. Transfer was usually made in Khorramshahr.

The joint venture ceased operations in the summer of 1962.

Recent Developments

Until September 24, 1962, there was no further commercial fishing done in the Gulf. At that time, a Kuwaiti company obtained a license from the Shilat to fish the Gulf in return for which it agreed to turn over to the Iranian Government 30% of its fish catch and 25% of its shrimp, payable either in cash or in kind. The first year's catch has been estimated at 1,000 tons of shrimp, nearly all of which was exported to the United States.

This company, which is said to be operating with the most modern methods, reportedly employs about five hundred persons of twenty-three different nationalities, and its fleet consists of fifteen vessels, three of which are mother ships. Most of its equipment was purchased in the United States.

On April 29, 1963, a Pakistani company also made an agreement with the Shilat under which the Shilat has received a cash guarantee equal to approximately $100,000. It is reported that this firm's boats are already operating in the Gulf.

In addition to the above, the Iranian Government announced on March 31, 1963, the formation of a Southern Fisheries Corporation. The original purpose of this company was to aid economic development in the south of Iran, and to supply the nation with fish. Due to a lack of capital, however, the company has recently suspended operations. If new capital is found, the company may then be reformed.

Future of the Persian Gulf Fisheries

It is clear that the Gulf, at least at present, is an area which merits close attention both as a source of food for the country and of revenue from the export of shrimp. It is equally clear that, despite all the newspaper coverage that the Gulf, and Iranian efforts to exploit it, have received, little has been done to date to develop an Iranian commercial fishery in the area.

6/ The Iranian fishing season runs from August of one year to August of the next.

It is also felt that the letting of foreign contracts might be dangerous because there are no conservation regulations in effect in the Gulf. The lack of any such regulations could lead to over-fishing in the area.

Still, there is ground for optimism because all indications are that the highest levels of the Iranian Government are concerned about the development of the southern fisheries. The attempted formation of the Southern Fisheries Corporation and the desire that it be revived as soon as funds become available, point out the extent of interest in Gulf fishing.

4. Fish Processing and Marketing

As has been noted above, fish is little known to the vast majority of the Iranian population. The reasons for this situation -- extreme heat coupled with the perishable nature of fish, and lack of adequate roads and refrigeration equipment -- are apparent. However, the Government now has the ability to produce fish and market it throughout the country although development of a national taste for fish will take time.

In the north, the Shilat has been processing fish and marketing it in Tehran for a number of years. Almost all of last year's production of 700 tons of fish other than sturgeon was trucked to Tehran. The company has a store in Tehran through which it sells its products. Enclosure No. 2 shows that a very limited amount of frozen and smoked fish is exported each year to the United States, the Soviet Union and Europe. A report on Iranian fisheries prepared by one of the daily English language newspapers states that the company owns four, five-ton refrigerator trucks.

The only commercial fish processing facility in the south is the Bandar Abbas cannery. This plant was established over twenty years ago by Danish interests, but did not produce very much until 1957 when the International Cooperation Administration provided it with some modern equipment and technical assistance. During one of the past six years the plant's annual production, whose potential has been estimated at 5,000,000 five ounce cans of tuna fish, sardines and herring, reached 1,000,000 cans, but has fallen off to roughly 400,000. Some of this production is exported and some of it makes its way to Tehran and even to the Caspian Sea area.

The reasons for the plant's failure to develop are unclear. The Iranian Government's continued construction efforts have made the plant modern in every respect. Part of the problem is no doubt due to failure to build up a market. In this respect, a local newspaper reported on August 8, 1963, that the cannery had signed a contract to supply 1,000,000 cans of sardines and other varieties of fish to an American company and that it was negotiating with a Greek company on the same subject.

The following ideas have been advanced as a plan for future Iranian fishing operations in the Gulf. It would be necessary to have two large, fast mother ships, one ported in Bandar Abbas and the other in Khorramshahr. Each would cover half the Persian Gulf each day, collecting the catch of private fishermen and bringing it to the ports. From there, it would be shipped throughout the southern part of the country -- Bandar Abbas would service the east and Khorramshahr the west. The fish needs of the north would be filled from the Caspian. The Iranian State Railways owns sixteen refrigerator cars which should be adequate for serving the fish needs of the western part of the country. As to the provinces of Baluchistan, Kerman, and Khorassan, there are roads which are passable for most of the year so that fish can be trucked at least to the larger towns. However, the problem of preserving fresh or frozen fish in the eastern part of the country would be great.

5. Conclusion

The potential of the Iranian fishing industry, particularly in the south, seems considerable. Fish may well become important not only as a consumer item in Iran, but as an export product. This will take considerable leadership, however, and it remains to be seen whether the Shilat can measure up to the task confronting it -- that of developing the southern waters. There would also seem to be possibilities for foreign investment in the Iranian fishing industry, but careful preparatory study would be advisable.

TOTAL FISH PRODUCTION (COMMERCIAL)

August 1958 - August 1963

Each annual period runs from August to August because the Iranian fishing season begins in that month.

Amounts are in metric tons.

August 1958 - August 1959

Type	Amount
Cartilaginous fish (sturgeon)	1,107.38
Other	2,295.45
TOTAL	3,402.83

August 1959 - August 1960

Type	Amount
Cartilaginous fish (sturgeon)	1,274.69
Other	1,902.24
TOTAL	3,176.93

August 1960 - August 1961

Type	Amount
Cartilaginous fish (sturgeon)	1,491.05
Other	866.08
TOTAL	2,357.13

August 1961 - August 1962

Type	Amount
Cartilaginous fish (sturgeon)	1,439.47
Other	392.18
TOTAL	1,831.65

TOTAL FISH PRODUCTION (Cond't)

August 1958 - August 1963

Type		Amount
Cartilaginous fish (sturgeon)		1,700.00
Other		700.00
	TOTAL	2,400.00

SOURCE: Iranian National Fisheries Company

EXPORTS OF FISH

August 1957 - August 1962

Amount is in kilograms.

Value is in Rials. 75 Rials = $1.00 at the Central Bank of Iran's buying rate.

Each yearly period runs from August to August because the Iranian fishing season begins in that month.

August 1957 - August 1958

	Type of Fish and Value							
	Sturgeon		Frozen Fish		Salt Fish		Total	
Country	Amount	Value	Amount	Value	Amount	Value	Amount	Value
USA	30,000.	765,000.	-	-	-	-	30,000.	765,000.
USSR	771,533.	18,798,828.	159,610.	1,330,500.75	215,842.	2,564,904.	1,146,985.	22,694,232.75
Europe	-	-	-	-	-	-	-	-
TOTAL	801,533.	19,563,828.	159,610.	1,330,500.75	215,842.	2,564,904.	1,176,985.	23,459,232.75

August 1958 - August 1959

USA	101,386.	2,585,343.	-	-	-	-	101,386.	2,585,343.
USSR	750,312.5	17,724,577.50	12,073.	90,547.50	110,121.	1,059,482.25	872,506.5	18,874,607.25
Europe	40,203.	1,081,431.75	-	-	-	-	40,203.	1,081,431.75
TOTAL	891,901.5	21,391,352.25	12,073.	90,547.50	110,121.	1,059,482.25	1,014,095.5	22,541,382.

August 1959 - August 1960

USA	319,218.	9,452,496.75	117.	750.	97.	4,324.50	319,432.	9,457,571.25
USSR	1,091,646.	23,552,385.	63,689.	703,230.	337,141.	2,968,843.50	1,492,476.	27,224,458.50
Europe	10,052.	305,329.50	-	-	-	-	10,052.	305,329.50
TOTAL	1,420,916.	33,310,211.25	63,806.	703,980.	337,238.	2,973,168.	1,821,960.	36,987,359.25

August 1960 - August 1961

Country	Type of Fish and Value						Total	
	Sturgeon		Frozen Fish		Salt Fish			
	Amount	Value	Amount	Value	Amount	Value	Amount	Value
USA	250,383.	7,658,557.50	5.	85.	8.	150.	250,396.	7,658,792.50
USSR	647,540.	13,815,640.	12,593.	94,447.	-	-	660,133.	13,910,087.
Europe	168,070.	5,335,915.50	-	-	-	-	168,070.	5,335,915.50
TOTAL	1,065,993.	26,810,113.	12,598.	94,532.	8.	150.	1,078,599.	26,904,795.

August 1961 - August 1962

USA	560,000.	18,286,875.					560,000.	18,286,875.
USSR	457,106.9	10,628,868.	N O T		N O T		457,106.9	10,628,868.
Europe	100,000.	3,169,687.50	A V A I L A B L E		A V A I L A B L E		100,000.	3,169,687.50
TOTAL	1,117,106.9	32,085,430.50					1,117,106.9	32,085,430.50

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